

# Renewable Energy Credits...

## .....A customer's perspective

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Toyota Motor Sales, USA, Inc.

# Renewable Energy Credits

- What are they and how do they work?
- What are they really worth and how can we benefit from them?
- How can we be sure we're getting what we pay for?
- What are some of the issues facing RECs?
- Deciding who to go to for RECs?

# What are they.....

- “green tags”
- “green tickets”
- “green certificates”
- “WindBuilders” or “SolarBuilders”
- “Pure Wind”
- “Iowa Energy Tags”
- Landfill gas, low-impact hydro, solar, geothermal and wind.

# How do they work.....

- How do RECs compare to our previous renewable commitments.....educating senior management
- How do they compare to “green electrons”?
- Created to aid the development of renewable energy
- Represent the environmental “benefits” from the construction of new renewable energy sources



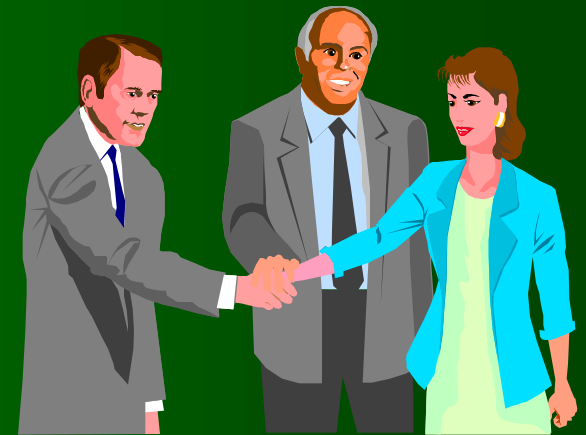
# What are they worth..... and how can companies benefit from them.....

- Intrinsic vs monetary value
- Reduce environmental footprints - renewable vs fossil fuels
- Reinforce commitment to renewable energy and the environment.
- Provide positive public relations
- Strengthen relationships with environmental groups and regulators



# What are they worth..... and how can companies benefit from them.....

- Engage in co-branding at the generation site
- Potentially use credits to offset other corporate emissions -  $\text{CO}_2$ ,  $\text{SO}_2$  and  $\text{NO}_x$
- Potentially sell credits for financial value



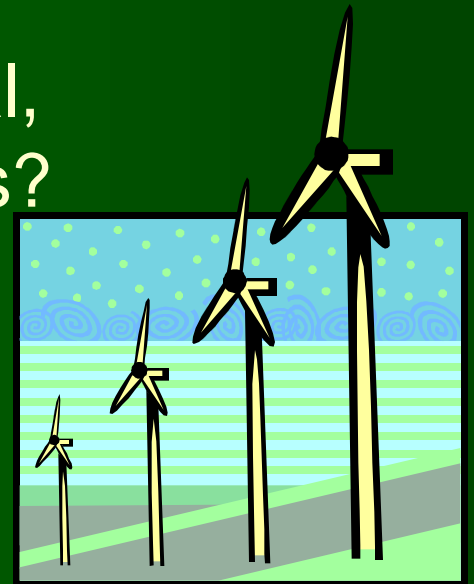
# How can we be sure we're getting what we pay for.....

- Know what we're buying and why we're buying it.....the value proposition.
- Green-e
- Globally accepted system
  - Common guidelines or rules
  - Management and tracking



# What are some of the issues facing RECs.....

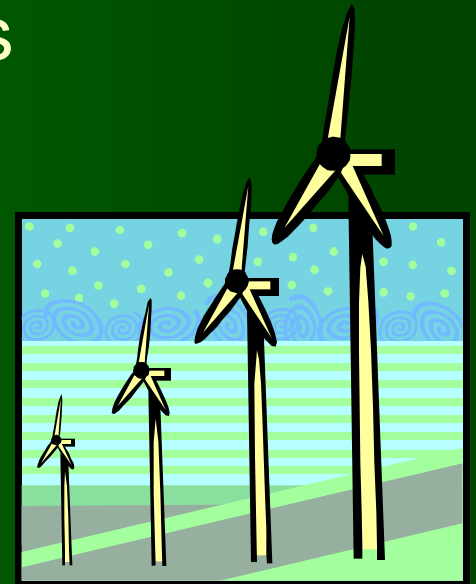
- How will credits be tracked and valued in the market?
- Will credits be tradable?
- Will credits be usable to offset other corporate emissions?
- Will credits be recognized by federal, state and international governments?
- Will out-of-state credits be considered legitimate for offsets?





# Deciding who to go to for RECs....

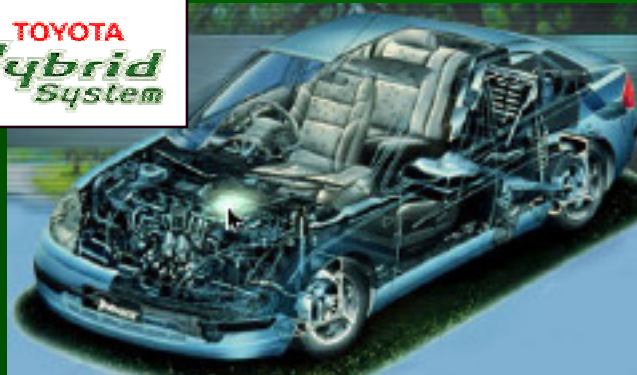
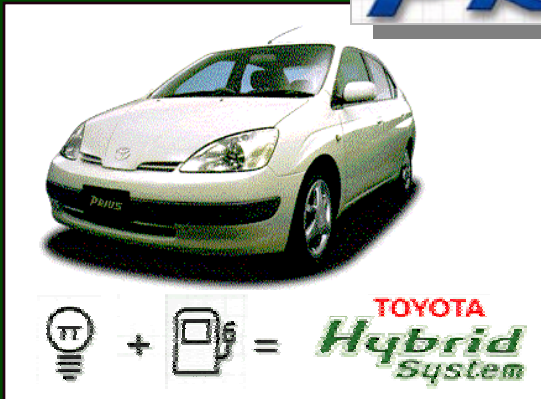
- Profit/non-profit
- Environmental “reputation”
- Established or new player...name recognition
- Type and mix of generation sources
- Cost vs Value
- How is the “fit” with the corporate mission, values and core business



# Green Power Toyota Style

“Prius”

Hybrid Car  
**PRIUS**



“RAV4 and Highlander  
Fuel Cell Prototype”



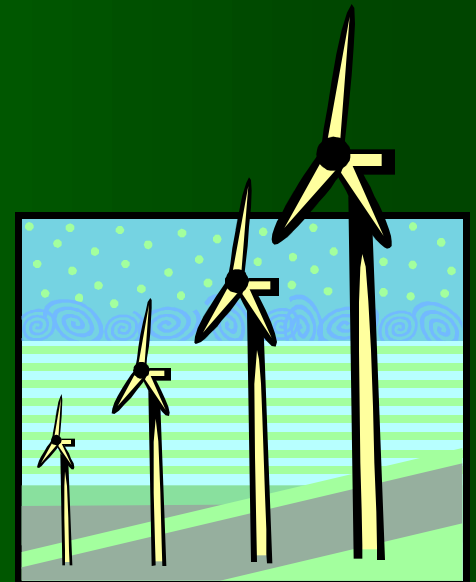
“Ecom”



“...to be the most successful and respected  
automobile company in America.....”

# Deciding who to go to for RECs....

- Where do dollars invested in RECs go?.....
  - new vs existing sources
  - operating costs, investment in new renewable plants, profit
  - agents and brokers
- Public relations programs and opportunities
- What quantity and mix of green attributes come with the RECs?



# Toyota & Green Power



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